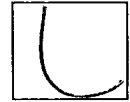


**ARIZONA CORPORATION COMMISSION**  
**UTILITIES DIVISION**

ANNUAL REPORT MAILING LABEL – MAKE CHANGES AS NECESSARY



W-01944A  
Lago Del Oro Water Company  
9532 East Riggs Rd.  
Sun Lakes, AZ 85248

RECEIVED

AZ CORP COMM  
Director Utilities

**ANNUAL REPORT**

**FOR YEAR ENDING**

12	31	2006
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FOR COMMISSION USE

ANN 04	06
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PROCESSED BY:

5-16-07

SCANNED

## COMPANY INFORMATION

<b>Company Name (Business Name)</b> <u>Lago Del Oro Water Company</u>		
<b>Mailing Address</b> <u>9532 E. Riggs Rd.</u>		
<u>Sun Lakes</u> (City)	<u>AZ</u> (State)	<u>85248</u> (Zip)
<u>(480) 895-9200</u> Telephone No. (Include Area Code)	<u>(480) 895-4347</u> Fax No. (Include Area Code)	 Pager/Cell No. (Include Area Code)
<b>Email Address</b> _____		
<b>Local Office Mailing Address</b> <u>40,004 S. Ridgeway Blvd</u>		
<u>Tucson</u> (City)	<u>AZ</u> (State)	<u>85739</u> (Zip)
<u>(520) 825-3423</u> Local Office Telephone No. (Include Area Code)	<u>(520) 825-0712</u> Fax No. (Include Area Code)	<u>(520) 932-5892</u> Pager/Cell No. (Include Area Code)
<b>Email Address</b> _____		

## MANAGEMENT INFORMATION

<b>Management Contact:</b> <u>James Poulos</u>			<u>General Manager</u>
<u>9532 E Riggs Rd</u> (Street)		<u>Sun Lakes</u> (City)	<u>AZ</u> (State)
<u>85284</u> (Zip)			
<u>(480) 895-9200</u> Telephone No. (Include Area Code)	<u>(480) 895-4347</u> Fax No. (Include Area Code)	 Pager/Cell No. (Include Area Code)	
<b>Email Address</b> _____			
<b>On Site Manager:</b> <u>Ed Macmeans</u>			
<u>40,004 S. Ridgeway Blvd.</u> (Street)		<u>Tucson</u> (City)	<u>AZ</u> (State)
<u>85739</u> (Zip)			
<u>(520) 825-3423</u> Telephone No. (Include Area Code)	<u>(520) 825-0712</u> Fax No. (Include Area Code)	<u>(520) 932-5892</u> Pager/Cell No. (Include Area Code)	
<b>Email Address</b> _____			

☐ Please mark this box if the above address(es) have changed or are updated since the last filing.

Statutory Agent: James O. Hubbard

(Name)

9532 E. Riggs Rd.

(Street)

Sun Lakes

(City)

AZ

(State)

85248

(Zip)

(480) 895-9200

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

Attorney: Marty Aronson

(Name)

One E. Camelback Rd

(Street)

Phoenix

(City)

AZ

(State)

85012

(Zip)

(602) 263-2972

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

☐ Please mark this box if the above address(es) have changed or are updated since the last filing.

### OWNERSHIP INFORMATION

Check the following box that applies to your company:

☐ Sole Proprietor (S)

☒ C Corporation (C) (Other than Association/Co-op)

☐ Partnership (P)

☐ Subchapter S Corporation (Z)

☐ Bankruptcy (B)

☐ Association/Co-op (A)

☐ Receivership (R)

☐ Limited Liability Company

☐ Other (Describe) \_\_\_\_\_

### COUNTIES SERVED

Check the box below for the county/ies in which you are certificated to provide service:

☐ APACHE

☐ COCHISE

☐ COCONINO

☐ GILA

☐ GRAHAM

☐ GREENLEE

☐ LA PAZ

☐ MARICOPA

☐ MOHAVE

☐ NAVAJO

☐ PIMA

☒ PINAL

☐ SANTA CRUZ

☐ YAVAPAI

☐ YUMA

☐ STATEWIDE

COMPANY NAME *Lago Del Oro Water Company*

**UTILITY PLANT IN SERVICE**

Acct. No.	DESCRIPTION	Original Cost (OC)	Accumulated Depreciation (AD)	O.C.L.D. (OC less AD)
301	Organization			
302	Franchises	42,608	∅	42,608
303	Land and Land Rights			
304	Structures and Improvements	100,414	33,148	67,266
307	Wells and Springs	1,757,991	768,249	989,742
311	Pumping Equipment	2,258,884	826,653	1,432,231
320	Water Treatment Equipment	499,277	218,434	280,843
330	Distribution Reservoirs and Standpipes	2,630,868	1,021,581	1,609,287
331	Transmission and Distribution Mains	3,819,747	1,592,527	2,227,220
333	Services	1,368,323	515,261	853,062
334	Meters and Meter Installations	500,891	199,230	301,661
335	Hydrants	529,511	239,402	290,109
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment	638,325	232,011	406,314
340	Office Furniture and Equipment			
341	Transportation Equipment			
343	Tools, Shop and Garage Equipment			
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communication Equipment			
347	Miscellaneous Equipment			
348	Other Tangible Plant			
	<b>TOTALS</b>	<b>14,146,839</b>	<b>5,646,496</b>	<b>8,500,343</b>

This amount goes on the Balance Sheet Acct. No. 108

COMPANY NAME *Lago Del Oro Water Company*

**CALCULATION OF DEPRECIATION EXPENSE FOR CURRENT YEAR**

Acct. No.	DESCRIPTION	Original Cost (1)	Depreciation Percentage (2)	Depreciation Expense (1x2)
301	Organization			
302	Franchises	42,608	Ø	Ø
303	Land and Land Rights			
304	Structures and Improvements	100,414	5.00	5,021
307	Wells and Springs	1,757,991	4.90	86,084
311	Pumping Equipment	2,258,884	4.57	103,212
320	Water Treatment Equipment	499,277	5.00	24,964
330	Distribution Reservoirs and Standpipes	2,630,868	4.97	130,818
331	Transmission and Distribution Mains	3,819,747	4.39	167,688
333	Services	1,368,323	4.50	61,597
334	Meters and Meter Installations	500,891	4.76	23,842
335	Hydrants	529,511	4.54	24,059
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment	638,325	5.11	32,588
340	Office Furniture and Equipment			
341	Transportation Equipment			
343	Tools, Shop and Garage Equipment			
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communication Equipment			
347	Miscellaneous Equipment			
348	Other Tangible Plant			
	<b>TOTALS</b>	<b>14,146,839</b>	<b>4.66</b>	<b>659,873</b>

This amount goes on the Comparative Statement of Income and Expense \_\_\_\_\_  
Acct. No. 403.

COMPANY NAME *Lago Del Oro Water Company*

**BALANCE SHEET**

Acct .No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	<b>ASSETS</b>		
	<b>CURRENT AND ACCRUED ASSETS</b>		
131	Cash	\$ 226,102	\$ 79,198
134	Working Funds		
135	Temporary Cash Investments		
141	Customer Accounts Receivable	155,208	160,691
146	Notes/Receivables from Associated Companies	109,954	117,850
151	Plant Material and Supplies		
162	Prepayments	28,351	37,144
174	Miscellaneous Current and Accrued Assets	111,182	72,538
	<b>TOTAL CURRENT AND ACCRUED ASSETS</b>	\$ 630,797	\$ 467,421
	<b>FIXED ASSETS</b>		
101	Utility Plant in Service	\$ 13,748,310	\$ 14,146,839
103	Property Held for Future Use		
105	Construction Work in Progress	45,875	46,475
108	Accumulated Depreciation – Utility Plant	(5,006,787)	(5,646,496)
121	Non-Utility Property		
122	Accumulated Depreciation – Non Utility		
	<b>TOTAL FIXED ASSETS</b>	\$ 8,787,398	\$ 8,546,818
	<b>TOTAL ASSETS</b>	\$ 9,418,195	\$ 9,014,239

**NOTE:** The Assets on this page should be equal to **Total Liabilities and Capital** on the following page.

COMPANY NAME *Lago Del Oro Water Company*

**BALANCE SHEET (CONTINUED)**

Acct. No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	<b>LIABILITIES</b>		
	<b>CURRENT LIABILITES</b>		
231	Accounts Payable	\$ 53,641	\$ 51,095
232	Notes Payable (Current Portion)	611,253	552,000
234	Notes/Accounts Payable to Associated Companies		
235	Customer Deposits	381,581	362,831
236	Accrued Taxes	83,860	80,631
237	Accrued Interest		
241	Miscellaneous Current and Accrued Liabilities	31,239	31,953
	<b>TOTAL CURRENT LIABILITIES</b>	\$ 1,161,574	\$ 1,078,510
	<b>LONG-TERM DEBT (Over 12 Months)</b>		
224	Long-Term Notes and Bonds	\$ 2,442,616	\$ 1,982,966
	<b>DEFERRED CREDITS</b>		
251	Unamortized Premium on Debt	\$	\$
252	Advances in Aid of Construction	663,558	598,915
255	Accumulated Deferred Investment Tax Credits		
271	Contributions in Aid of Construction	473,233	534,252
272	Less: Amortization of Contributions	(347,292)	(363,650)
281	Accumulated Deferred Income Tax		
	<b>TOTAL DEFERRED CREDITS</b>	\$ 789,499	\$ 769,517
	<b>TOTAL LIABILITIES</b>	\$ 4,393,689	\$ 3,830,993
	<b>CAPITAL ACCOUNTS</b>		
201	Common Stock Issued	\$ 150,500	\$ 150,500
211	Paid in Capital in Excess of Par Value	4,322,625	4,322,625
215	Retained Earnings	551,381	710,121
218	Proprietary Capital (Sole Props and Partnerships)		
	<b>TOTAL CAPITAL</b>	\$ 5,024,506	\$ 5,183,246
	<b>TOTAL LIABILITIES AND CAPITAL</b>	\$ 9,418,195	\$ 9,014,239

COMPANY NAME *Lago Del Oro Water Company*

**COMPARATIVE STATEMENT OF INCOME AND EXPENSE**

Acct. No.	OPERATING REVENUES	PRIOR YEAR	CURRENT YEAR
461	Metered Water Revenue	\$ 1,812,459	\$ 1,901,501
460	Unmetered Water Revenue		
474	Other Water Revenues	29,158	22,315
	<b>TOTAL REVENUES</b>	\$ 1,841,617	\$ 1,923,816
	<b>OPERATING EXPENSES</b>		
601	Salaries and Wages	\$ 171,607	\$ 135,495
610	Purchased Water		
615	Purchased Power	334,216	342,660
618	Chemicals	10,174	9,560
620	Repairs and Maintenance	87,727	78,833
621	Office Supplies and Expense		
630	Outside Services	48,275	60,456
635	Water Testing	16,746	17,922
641	Rents		
650	Transportation Expenses		
657	Insurance – General Liability	22,033	23,691
659	Insurance - Health and Life		
666	Regulatory Commission Expense – Rate Case		
675	Miscellaneous Expense	69,097	60,242
403	Depreciation Expense	645,419	659,873
408	Taxes Other Than Income		
408.11	Property Taxes	125,296	120,167
409	Income Tax	29,273	53,033
	<b>TOTAL OPERATING EXPENSES</b>	\$ 1,559,863	\$ 1,561,932
	<b>OPERATING INCOME/(LOSS)</b>	\$ 281,754	\$ 361,884
	<b>OTHER INCOME/(EXPENSE)</b>		
419	Interest and Dividend Income	\$ 6,759	\$ 21,229
421	Non-Utility Income	6,948	2,947
426	Miscellaneous Non-Utility Expenses		
427	Interest Expense	(207,958)	(227,320)
	<b>TOTAL OTHER INCOME/(EXPENSE)</b>	\$ (194,251)	\$ (203,144)
	<b>NET INCOME/(LOSS)</b>	\$ 87,503	\$ 158,740



COMPANY NAME Lago Del Oro Water Company

**SUPPLEMENTAL FINANCIAL DATA**

**Long-Term Debt**

	LOAN #1	LOAN #2	LOAN #3	LOAN #4
Date Issued	07/27/00	03/05/01	07/27/06	
Source of Loan	Californian Bank & Trust	Californian Bank & Trust	Californian Bank & Trust	
ACC Decision No.	62845	62845	62845	
Reason for Loan	PLANT ADDITIONS	PLANT ADDITIONS	MODIFICATION NOTE 1 & 2	
Dollar Amount Issued	\$2,894,259	\$1,500,000	\$2,764,966	\$
Amount Outstanding	\$ $\phi$	\$ $\phi$	\$2,534,966	\$
Date of Maturity	07/27/06	07/27/06	07/27/09	
Interest Rate	Prime %	Prime %	Prime %	%
Current Year Interest	\$ 85,791	\$ 44,463	\$ 97,068	\$
Current Year Principle	\$2,011,415	\$1,042,454	\$230,000	\$

Meter Deposit Balance at Test Year End

\$ 362,831

Meter Deposits Refunded During the Test Year

\$ 81,408

COMPANY NAME	Lago Del Oro Water Company
Name of System	ADEQ Public Water System Number (if applicable)

## WATER COMPANY PLANT DESCRIPTION

### WELLS

ADWR ID Number*	Pump Horsepower	Pump Yield (gpm)	Casing Depth (Feet)	Casing Diameter (Inches)	Meter Size (inches)	Year Drilled
See ATTACHED						

\* Arizona Department of Water Resources Identification Number

### OTHER WATER SOURCES

Name or Description	Capacity (gpm)	Gallons Purchased or Obtained (in thousands)

BOOSTER PUMPS		FIRE HYDRANTS	
Horsepower	Quantity	Quantity Standard	Quantity Other
See ATTACHED		391	

STORAGE TANKS		PRESSURE TANKS	
Capacity	Quantity	Capacity	Quantity
See ATTACHED		See ATTACHED	

*Note: If you are filing for more than one system, please provide separate sheets for each system.*

Lago Del Oro Water Company  
Water Company Plant Descriptions  
December 31, 2006

**Wells:**

ADWR ID No.	Pump Horsepower	Pump Yield (gpm)	Casing Depth (feet)	Casing Diameter (inches)	Meter Size (inches)	Year Drilled
55-613452	75	560	804	16	6	1963
55-613459	2	15	241	8	1	1973
55-613454	150	350	800	16	8	1963
55-514519	N/A	N/A	N/A	N/A	N/A	N/A
55-613455	15	75	300	10	3	1972
55-613456	30	120	450	8	3	1973
55-613460	10	25	495	8	2	1972
55-613457	8	120	225	8	3	1972
55-613458	3	35	609	8	1	1981
55-623397	15	70	310	10	2	1971
55-518207	200	1,385	800	16	8	1987
55-526451	200	1,000	804	16	8	1990
55-547494	300	1,300	959	16	10	1996
55-548874	200	1,100	1,100	16	10	1995
55-548873	100	330	1,109	16	6	1996
55-573651	150	490	1,200	20	6	1999
55-206036	250	1,200	1,340	16	10	2005

**Booster Pumps:**

Horsepower	Quantity
75	3
50	2
40	2
30	6
20	6
15	4
10	2
5	4
3	1

Capacity	Quantity
500,000	2
250,000	2
200,000	1
100,000	1
12,000	3

**Pressure Tanks:**

Capacity	Quantity
15,000	1
10,000	2
6,000	2
2,000	6
1,000	3

<b>COMPANY NAME</b> Lago Del Oro Water Company	
<b>Name of System</b>	<b>ADEQ Public Water System Number (if applicable)</b>

### **WATER COMPANY PLANT DESCRIPTION (CONTINUED)**

MAINS		
Size (in inches)	Material	Length (in feet)
2	PVC	5,943
3	PVC	20,497
4	PVC	86,007
5		
6	PVC	163,648
8	PVC	122,222
10	PVC	23,676
12	PVC	4,903

CUSTOMER METERS	
Size (in inches)	Quantity
5/8 X 3/4	
3/4	6,040
1	66
1 1/2	14
2	59
Comp. 3	
Turbo 3	
Comp. 4	1
Tubo 4	
Comp. 6	4
Tubo 6	

**For the following three items, list the utility owned assets in each category for each system.**

**TREATMENT EQUIPMENT:**

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**STRUCTURES:**

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**OTHER:**

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*Note: If you are filing for more than one system, please provide separate sheets for each system.*

COMPANY NAME: <u>Lago Oil Oro Water Company</u>	
Name of System	ADEQ Public Water System Number (if applicable)

**WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2006**

MONTH/YEAR	NUMBER OF CUSTOMERS	GALLONS SOLD (Thousands)	GALLONS PUMPED (Thousands)	GALLONS PURCHASED (Thousands)
JANUARY	5,845	61,632	60,403	Ø
FEBRUARY	5,867	55,548	65,128	Ø
MARCH	5,896	61,413	67,651	Ø
APRIL	5,921	80,933	87,882	Ø
MAY	5,945	89,708	91,676	Ø
JUNE	5,967	117,851	124,134	Ø
JULY	5,988	84,509	86,452	Ø
AUGUST	6,004	73,153	68,499	Ø
SEPTEMBER	6,008	68,956	77,862	Ø
OCTOBER	6,022	81,446	79,734	Ø
NOVEMBER	6,041	64,602	72,820	Ø
DECEMBER	6,046	59,751	61,391	Ø
TOTALS →		898,602	943,632	Ø

What is the level of arsenic for each well on your system? See ATTACHED mg/l  
(If more than one well, please list each separately.)

If system has fire hydrants, what is the fire flow requirement? 1,250 GPM for 2 hrs

If system has chlorination treatment, does this treatment system chlorinate continuously?  
☒ Yes                      ( ) No

Is the Water Utility located in an ADWR Active Management Area (AMA)?  
☒ Yes                      ( ) No

Does the Company have an ADWR Gallons Per Capita Per Day (GPCPD) requirement?  
☒ Yes                      ( ) No

If yes, provide the GPCPD amount: 231 (2000)

*Note: If you are filing for more than one system, please provide separate data sheets for each system.*

## Lago Del Oro Water Company

Well #	Service Location	Section	DWR	Well ID #	Arsenic Levels
Well # 1 - POE 001	15916 N. Capstan Avenue	9	55-613452	D-11-14-9-AAA	<0.002 PPM
Well # 2 - POE 002	3415 E. Golder Ranch Road	9	55-613453	D-11-14-9-CDA	<0.002 PPM
Well # 3 - POE 003	5400 E. Golder Ranch Road	23	55-613459	D-11-14-23-DBD	<0.002 PPM
Well # 4 - POE 004	Section 23	23	55-514519	D-10-14-23-CAC	<0.002 PPM
Well # 5 - POE 005	15850 N. Lago Del Oro Parkway	10	55-613455	D-11-14-10-AAD	<0.002 PPM
Well # 6 - POE 006	16515 N. Lago Del Oro Parkway	2	55-613456	D-11-14-2-BDB	<0.002 PPM
Well # 7 - POE 007	Edwin Road	11	55-613460	D-11-14-11-ABD	<0.002 PPM
Well # 8 - POE 008	5447 E. Edwin Road	35	55-613457	D-10-14-35-DCC	<0.002 PPM
Well # 11 - POE 003	5180 E. Golder Ranch Road	23	55-613458	D-11-14-23-ACC	<0.002 PPM
Well # 13 - POE 013	3280 E. Lamb Drive	9	55-623397	D-11-14-9-BBD	<0.002 PPM
Well # 14 - POE 014	38514 S. Canyon View Court	27	55-518207	D-10-14-27-DDD	<0.002 PPM
Well # 15 - POE 015	63579 S. SaddleBrooke Blvd.	35	55-526451	D-10-14-27-ACB	<0.002 PPM
Well # 16 - POE 004	35729 S. Boulder Crest Drive	23	55-547494	D-10-14-23-ACB	<0.002 PPM
Well # 17 - POE 017	37745 S. Boulder Wind Drive	27	55-548874	D-10-14-27-BCD	<0.002 PPM
Well # 18 - POE 017	63182 E. Desert Highland Drive	34	55-548873	D-10-14-34-BAB	<0.002 PPM
Well # 19 - POE 019	62971 E. Amberwood Court	34	55-573651	D-10-14-34-BBD	<0.002 PPM
Well # 22 - POE 019			55-206036		<0.002 PPM

COMPANY NAME Lago Del Oro Water Company YEAR ENDING 12/31/2006

**PROPERTY TAXES**

Amount of actual property taxes paid during Calendar Year 2006 was: \$ 122,724.77

Attach to this annual report proof (e.g. property tax bills stamped "paid in full" or copies of cancelled checks for property tax payments) of any and all property taxes paid during the calendar year.

If no property taxes paid, explain why. \_\_\_\_\_

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ABSENCE OF PINK U.S. PATENT NUMBERS UNDER SIGNATURE INDICATES CHECK IS FRAUDULENT. PATENT NUMBERS ARE PRINTED WITH HEAT SENSITIVE INK & WILL DISAPPEAR WHEN BLOWING OR RUBBING.

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<b><u>Location</u></b>	<b><u>Acct #</u></b>	<b><u>Check #</u></b>	<b><u>Amount</u></b>	<b><u>Issue Date</u></b>	<b><u>Paid Date</u></b>	<b><u>Sequence</u></b>
CD	9691135	309210	\$58,091.73		4/11/2006	8740375562
<b><u>Customer Data</u></b>	<b><u>Bank #</u></b>	<b><u>GL Category</u></b>	<b><u>CD VoIID/CIMS Key</u></b>	<b><u>CD Label</u></b>		
	601	000000000000	20060428524801	20060428524801		



THIS CHECK IS VOID WITHOUT A GREEN & BLUE BORDER AND BACKGROUND PLUS A KNIGHT & FINGERPRINT WATERMARK ON THE BACK - HOLD AT ANGLE TO VIEW

**LAGO DEL ORO WATER COMPANY**  
9532 E Riggs Rd  
Sun Lakes, AZ 85248-7411

**JPMorgan Chase Bank, N.A.**  
201 N Central Ave Dept 383  
Phoenix, AZ 85038

9140020406  
3053406605

**Pay**

**FOUR THOUSAND FOUR HUNDRED SIXTY SEVEN AND 03/100 \*\*\*\*\***

**To The Order Of** **JIM L TURNBULL - PINAL COUNTY TREASURER**  
**PINAL COUNTY TREASURERS OFFICE**  
**PO BOX 729**  
**FLORENCE AZ 85232-0729**

**Date** 04/07/06 **Amount** \$\*\*\*\*\*4,467.03

**Dollars**

**Signature:** *Jim L. Turnbull*

**2232357**

SIGNATURE AREA CONTAINS A KNIGHT & FINGERPRINT CHECK WORDING

309211 122100024 0969 1135 0000446703

ABSENCE OF PINK U.S. PATENT NUMBERS UNDER SIGNATURE INDICATES CHECK IS FRAUDULENT. PATENT NUMBERS ARE PRINTED WITH HEAT SENSITIVE INK & WILL DISAPPEAR WHEN BLOWING OR RUBBING

THIS CHECK ALSO CONTAINS THE FOLLOWING SECURITY FEATURES:  
which are covered under U.S. Patents 5,941,814 & 6,030,000, 5,975,708 & 6,041,181.

1. Absence of the Knight & Fingerprint Watermark on the back of the check.
2. The back of the check is not printed with the Knight & Fingerprint Watermark.
3. The back of the check is not printed with the Knight & Fingerprint Watermark.
4. The back of the check is not printed with the Knight & Fingerprint Watermark.
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10. The back of the check is not printed with the Knight & Fingerprint Watermark.

TO VIEW WATERMARKS  
HOLD AT ANGLE  
OR  
UNDER BLACKLIGHT

KNIGHT & FINGERPRINT

111901331

DO NOT WRITE, STAMP OR SIGN BELOW - RESERVED FOR FINANCIAL INSTITUTION USE

Location	Acct #	Check #	Amount	Issue Date	Paid Date	Sequence
CD	9691135	309211	\$4,467.03		4/12/2006	5140486368
Customer Data	Bank #	GL Category	CD Valid/CIMS Key	CD Label		
	601	000000000000	20060428524801	20060428524801		

THIS CHECK IS VOID WITHOUT A GREEN & BLUE BORDER AND BACKGROUND PLUS A KNIGHT & FINGERPRINT WATERMARK ON THE BACK - HOLD AT ANGLE TO VIEW

JPMorgan Chase Bank, N.A.  
201 N Central Ave Dept 383  
Phoenix, AZ 85038

91-2/1221 **309568**

**LAGO DEL ORO WATER COMPANY** 305-81-14400  
9532 E Riggs Rd  
Sun Lakes, AZ 85248-7411  
305-34-06605  
914-00-20406  
305-50-00787

**Pay**

Date	Amount
10/06/06	\$*****4,432.66

**FOUR THOUSAND FOUR HUNDRED THIRTY TWO AND 66/100** \*\*\*\*\*  
305-41-00885  
305-58-15405 Dollars

To **JIM L TURNBULL - PINAL COUNTY TREASURER**  
The **PINAL COUNTY TREASURERS OFFICE**  
Order **PO BOX 729**  
Of **FLORENCE AZ 85232-0729**

**TELLER**  
**TEMP**

SIGNATURE AREA CONTAINS A KNIGHT & FINGERPRINT CHECK WORDING

⑈309568⑈ ⑆122100024⑆ 0969 1135⑈ ⑆0000443266⑈

ABSENCE OF PINK U.S. PATENT NUMBERS UNDER SIGNATURE INDICATES CHECK IS FRAUDULENT. PATENT NUMBERS ARE PRINTED WITH HEAT SENSITIVE INK & WILL DISAPPEAR WHEN BLOWING OR RUBBING

THIS CHECK ALSO CONTAINS THE FOLLOWING SECURITY FEATURES which are covered under U.S. Patents 5,532,100; 5,575,508; 5,641,163; 5,785,511; 5,981,044 & 6,030,000

1. Absence of the **Knights' Fingerprint Check** & **Watermark Fingerprint** in the mirrored area on the back of the check.
2. The back of the check has an **inked watermark** of the **Knights' Fingerprint** & **Watermark Fingerprint** which will be visible when the check is held up to the light.
3. The back of the check has an **inked watermark** of the **Knights' Fingerprint** & **Watermark Fingerprint** which will be visible when the check is held up to the light.
4. The back of the check has an **inked watermark** of the **Knights' Fingerprint** & **Watermark Fingerprint** which will be visible when the check is held up to the light.
5. Micro Printing

TO VIEW WATERMARKS  
HOLD AT ANGLE  
OR  
UNDER BLACKLIGHT

JPMORGAN CHASE BANK, N.A.  
FORT WORTH, TX 76120-3036  
⑈111901331⑈

2017 83365

Location	Acct #	Check #	Amount	Issue Date	Paid Date	Sequence
CD	9691135	309568	\$4,432.66		10/12/2006	5140475089
Customer Data	Bank #	GL Category	CD VOID/CIMS Key	CD Label		
	601	000000000000	20061031464101	20061031464101		

THIS CHECK IS VOID WITHOUT A GREEN & BLUE BORDER AND BACKGROUND PLUS A KNIGHT & FINGERPRINT WATERMARK ON THE BACK - HOLD AT ANGLE TO VIEW

**LAGO DEL ORO WATER COMPANY** 106  
 9532 E Riggs Rd  
 San Lakes, AZ 85248-7411 22-731530 et al

JPMorgan Chase Bank, N.A.  
 201 N Central Ave Dept 383  
 Phoenix, AZ 85038 91-2/1221 **309578**

Date	Amount
10/13/06	\$*****55,733.35

**Pay**

**FIFTY FIVE THOUSAND SEVEN HUNDRED THIRTY THREE AND 35/100 \*\*\*\*\***

Dollars

To  
 The  
 Order  
 Of **BETH FORD, PIMA COUNTY TREASURER**  
**P O BOX 98765**  
**PHOENIX AZ 85038-0765**

SIGNATURE AREA CONTAINS A KNIGHT & FINGERPRINT CHECK WORDING

309578 122100024 0969 1135 0005573335

ABSENCE OF PINK U.S. PATENT NUMBERS UNDER SIGNATURE INDICATES CHECK IS FRAUDULENT. PATENT NUMBERS ARE PRINTED WITH HEAT SENSITIVE INK & WILL DISAPPEAR WHEN BLOWING OR RUBBING.

FOR DEPOSIT ONLY  
 TO THE ORDER OF  
 BETH FORD  
 PIMA COUNTY TREASURER  
 PIMA COUNTY, ARIZONA  
 412-724158

DO NOT WRITE STAMP OR WATERMARK - INKED FOR FINANCIAL INSTITUTION USE

TO VIEW WATERMARKS  
 HOLD AT ANGLE  
 OCT 26 2006 KNIT

BANK OF AMERICA THE  
 1221017004 E3-4 10/26/06

KNIGHT & FINGERPRINT

0017 38732

THIS CHECK ALSO CONTAINS THE FOLLOWING SECURITY FEATURES:  
 1. AVOID THE KNIGHT & FINGERPRINT WATERMARKS  
 2. THE KNIGHT & FINGERPRINT WATERMARKS  
 3. THE KNIGHT & FINGERPRINT WATERMARKS  
 4. THE KNIGHT & FINGERPRINT WATERMARKS  
 5. THE KNIGHT & FINGERPRINT WATERMARKS

10/27/2006  
 11901331

Location	Acct #	Check #	Amount	Issue Date	Paid Date	Sequence
CD	9691135	309578	\$55,733.35		10/26/2006	8740366503
Customer Data	Bank #	GL Category	CD VolID/CIMS Key	CD Label		
	601	000000000000	20061031464101	20061031464101		

**VERIFICATION  
AND  
SWORN STATEMENT**  
Taxes

RECEIVED

AZ CORP COMM  
Director Utilities

**VERIFICATION**

STATE OF Arizona

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME)	<u>Maricopa</u>
NAME (OWNER OR OFFICIAL) TITLE	<u>James L. Poulos - General Manager</u>
COMPANY NAME	<u>Lago Del Oro Water Company</u>

DO SAY THAT THIS ANNUAL UTILITY PROPERTY TAX AND SALES TAX REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
<u>12</u>	<u>31</u>	<u>2006</u>

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

**SWORN STATEMENT**

I HEREBY ATTEST THAT ALL PROPERTY TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.

I HEREBY ATTEST THAT ALL SALES TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.

  
SIGNATURE OF OWNER OR OFFICIAL

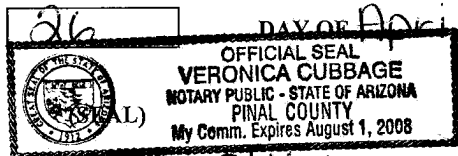
(480) 895-9200

TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS



COUNTY NAME	<u>Pinal</u>
MONTH	<u>2007</u>

  
SIGNATURE OF NOTARY PUBLIC

MY COMMISSION EXPIRES 8/1/08

COMPANY NAME Lago Del Oro Water Company YEAR ENDING 12/31/2006

**INCOME TAXES**

For this reporting period, provide the following:

Federal Taxable Income Reported (68,351)  
Estimated or Actual Federal Tax Liability Ø

State Taxable Income Reported 214,187  
Estimated or Actual State Tax Liability 14,344

Amount of Grossed-Up Contributions/Advances:

Amount of Contributions/Advances Ø  
Amount of Gross-Up Tax Collected Ø  
Total Grossed-Up Contributions/Advances Ø

Decision No. 55774 states, in part, that the utility will refund any excess gross-up funds collected at the close of the tax year when tax returns are completed. Pursuant to this Decision, if gross-up tax refunds are due to any Payer or if any gross-up tax refunds have already been made, attach the following information by Payer: name and amount of contribution/advance, the amount of gross-up tax collected, the amount of refund due to each Payer, and the date the Utility expects to make or has made the refund to the Payer.

**CERTIFICATION**

The undersigned hereby certifies that the Utility has refunded to Payers all gross-up tax refunds reported in the prior year's annual report. This certification is to be signed by the President or Chief Executive Officer, if a corporation; the managing general partner, if a partnership; the managing member, if a limited liability company or the sole proprietor, if a sole proprietorship.

  
SIGNATURE

5/14/07  
DATE

James Poulos  
PRINTED NAME

General Manager  
TITLE

**VERIFICATION  
AND  
SWORN STATEMENT**  
Intrastate Revenues Only

RECEIVED

**VERIFICATION**

STATE OF Arizona

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME)	<u>Maricopa</u>
NAME (OWNER OR OFFICIAL) TITLE	<u>James L Poulos - General Manager</u>
COMPANY NAME	<u>Lago Del Oro Water Company</u>

OF CORP COMM  
Director Utilities

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
<u>12</u>	<u>31</u>	<u>2006</u>

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

**SWORN STATEMENT**

IN ACCORDANCE WITH THE REQUIREMENT OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS DURING CALENDAR YEAR 2006 WAS:

Arizona Intrastate Gross Operating Revenues Only (\$)

\$ 2,094,966

(THE AMOUNT IN BOX ABOVE  
INCLUDES \$ 131,312

IN SALES TAXES BILLED, OR COLLECTED)

**\*\*REVENUE REPORTED ON THIS PAGE MUST  
INCLUDE SALES TAXES BILLED OR  
COLLECTED. IF FOR ANY OTHER REASON,  
THE REVENUE REPORTED ABOVE DOES NOT  
AGREE WITH TOTAL OPERATING REVENUES  
ELSEWHERE REPORTED, ATTACH THOSE  
STATEMENTS THAT RECONCILE THE  
DIFFERENCE. (EXPLAIN IN DETAIL)**

SIGNATURE OF OWNER OR OFFICIAL

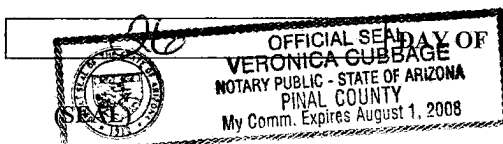
(480) 895-9200

TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS



MY COMMISSION EXPIRES

8/1/08

COUNTY NAME

Pinal

MONTH

April

2007

Veronica Gubbage

SIGNATURE OF NOTARY PUBLIC

**VERIFICATION  
AND  
SWORN STATEMENT  
RESIDENTIAL REVENUE**  
Intrastate Revenues Only

RECEIVED

**VERIFICATION**

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME) <u>Maricopa</u>	
NAME (OWNER OR OFFICIAL) <u>James L. Poulos</u>	TITLE <u>General Manager</u>
COMPANY NAME <u>Lago Del Oro Water Company</u>	

W CORP COMM  
Director Utilities

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2006

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

**SWORN STATEMENT**

IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401.01, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS RECEIVED FROM RESIDENTIAL CUSTOMERS DURING CALENDAR YEAR 2006 WAS:

ARIZONA INTRASTATE GROSS OPERATING REVENUES

\$ 1,771,903

THE AMOUNT IN BOX AT LEFT  
INCLUDES \$ \_\_\_\_\_  
IN SALES TAXES BILLED, OR COLLECTED)

\*RESIDENTIAL REVENUE REPORTED ON THIS PAGE  
MUST INCLUDE SALES TAXES BILLED.

SIGNATURE OF OWNER OR OFFICIAL

(480) 895-9200

TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS

26

DAY OF

(SEAL)



MY COMMISSION EXPIRES 8/1/08

NOTARY PUBLIC NAME <u>Veronica Cabbage</u>	
COUNTY NAME <u>Pinal</u>	
MONTH <u>April</u>	20 <u>07</u>

X Veronica Cabbage

SIGNATURE OF NOTARY PUBLIC